

EXECUTIVE REVIEW AND COMPENSATION COMMITTEE MEETING

Thursday, August 3, 2023 – 2:00 PM
RIO Conference Room (Virtual Host)
1600 E Century Ave. Ste. 3, Bismarck, ND
[Click here to join the meeting](#)

AGENDA

- I. **Call to Order and Approval of Agenda – (Committee Action)**
 - a. Pledge of Allegiance
 - b. Introduction of Committee Members
- II. **Approval of May 16, 2023, Meeting Minutes – (Committee Action)**
- III. **Elections of Officers (5 minutes) – (Committee Action)**
- IV. **Review of ERCC Charter (10 minutes) – (Information)**
- V. **Comprehensive Compensation Study Presentations (150 minutes)¹ – (Committee Action)**
 - a. Presentation 1 (60 minutes)
 - b. Presentation 2 (60 minutes)
 - c. Committee Discussion & Selection (30 minutes)
- VI. **Other Business**
 - a. Next Meeting: September 27, 2023, at 10:00 a.m.
- VII. **Adjournment**

¹ Executive Session pursuant to N.D.C.C. 44-04-19.2(6) and 54-44.4-10(2) to sequester competitors during a competitive bidding process and to receive and discuss exempt proposal procurement information during a competitive bidding process.

**NORTH DAKOTA STATE INVESTMENT BOARD
EXECUTIVE REVIEW AND COMPENSATION COMMITTEE
MINUTES OF THE
MAY 16, 2023, COMMITTEE MEETING**

MEMBERS PRESENT: Adam Miller, PERS, Chair
Thomas Beadle, State Treasurer
Dr. Rob Lech, TFFR

STAFF PRESENT: Missy Kopp, Exec. Assistant
Jan Murtha, Exec. Director
Chad Roberts, DED/CRO
Sara Seiler, Suprv. of Internal Audit
Ryan Skor, CFO/COO

CALL TO ORDER:

Mr. Miller called the State Investment Board (SIB) Executive Review and Compensation Committee (ERCC) meeting to order at 2:35 p.m. on Tuesday, May 16, 2023. The meeting was held virtually.

ACCEPTANCE OF AGENDA:

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA AS DISTRIBUTED.

AYES: TREASURER BEADLE AND MR. MILLER

NAYS: NONE

ABSENT: DR. LECH

MOTION CARRIED

MINUTES:

The ERCC considered the minutes of the April 19, 2023, meeting,

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT THE APRIL 19, 2023, MINUTES AS DISTRIBUTED.

AYES: TREASURER BEADLE AND MR. MILLER

NAYS: NONE

ABSENT: DR. LECH

MOTION CARRIED

Dr. Lech joined the meeting at 2:41 p.m.

2023 EXECUTIVE DIRECTOR (ED) EVALUATION:

Mr. Miller discussed the ED evaluation document. Ms. Murtha demonstrates excellent leadership and has credibility and respect among Board members. She is encouraged to continue the focus on communication with legislators, clients, and the public. The Committee commented on the success during legislative session and the ability to lead RIO through many changes.

RECOMMENDATION FOR ED COMPENSATION:

Mr. Skor provided information on standard salary increase amounts and options for additional compensation

in the form of allowable bonuses. Committee discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND A 6% RAISE FOR THE ED, CONSISTENT WITH LEGISLATIVE APPROPRIATION.

AYES: DR. LECH, TREASURER BEADLE, AND MR. MILLER

NAYS: NONE

MOTION CARRIED

2023-24 SIB ERCC MEETING SCHEDULE:

IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE PROPOSED ERCC MEETING SCHEDULE.

AYES: TREASURER BEADLE, DR. LECH, AND MR. MILLER

NAYS: NONE

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the ERCC, Mr. Miller adjourned the meeting at 3:13 p.m.

Submitted by:

Missy Kopp, Assistant to the Board

MEMORANDUM

TO: Executive Review and Compensation Committee
FROM: Ryan Skor, CFO/COO
DATE: July 31, 2023
RE: Elections of Officers

Pursuant the ERCC Governance Manual Section IV, the ERCC must elect a Committee Chair and Vice Chair at the first meeting after July of each fiscal year. For the 2023-24 year, the Board will need to select:

- **ERCC Chair**
- **ERCC Vice Chair**

The relevant Governance Policy of the ERCC is below:

Executive Review and Compensation Committee Charter:

Section III. ERCC Composition and Term Limits.

The ERCC shall be composed of at least three SIB members as appointed by the SIB Chair at the first SIB meeting in July of each year or when a vacancy arises. This is a standing committee with no term limits. At least one committee member must be an elected or appointed official.

Section IV. Meetings.

The ERCC must meet at least twice in the second half of the fiscal year, and hold additional meetings as needed, to fulfill its responsibilities as described in this Committee Charter and as called by the Committee Chair. At its first meeting after July the Committee will elect a Committee Chair and Vice-Chair.

COMMITTEE ACTION. Nominate and approve Chair and Vice-Chair.

Executive Review and Compensation Committee Charter

I. PURPOSE

The Executive Review and Compensation Committee (“ERCC”) will assist the State Investment Board (SIB) to fulfill its responsibilities regarding matters that relate to “monitoring executive performance (which) is synonymous with monitoring organizational performance against board policies on *Ends* and *Executive Limitations*”. The ERCC will also assist the SIB in developing compensation goals and strategies for the agency as a whole that are in alignment with the strategic plan of the agency.

II. KEY RESPONSIBILITIES

The ERCC shall perform all duties as requested or required by the SIB. Specifically:

1. Conduct a formal evaluation of the Executive Director annually prior to June 30th of each year;
2. Obtain SIB approval of the annual performance evaluation of the Executive Director prior to June 30th of each year;
3. Obtain performance surveys of the Chief Investment Officer and Deputy Executive Director- Chief Retirement Officer prior to June 30th of each;
4. Make a compensation recommendation for the Executive Director to the SIB on or before June 30th of each year;
5. Administer a formal self-assessment of the SIB periodically (unless instructed otherwise);
6. Review and make recommendations regarding RIO’s compensation policy to ensure RIO can recruit and retain superior talent to satisfy the core mission and strategic plan of the agency; and
7. Conduct or procure a new peer compensation study or survey at least every three years to assess the current level of RIO staff compensation and recommend policy changes to address target salary ranges as appropriate.

The ERCC will conduct a formal evaluation of the Executive Director, and performance survey’s regarding the performance of the Chief Investment Officer, and Deputy Executive Director – Chief Retirement Officer during the first half of every calendar year. This formal evaluation by the ERCC will serve as the basis for an annual compensation recommendation for the Executive Director only to be reviewed and approved by the SIB on or before June 30th each year. The survey results for all three positions will be reported to both the SIB and TFFR Board.

III. ERCC COMPOSITION AND TERM LIMITS

The ERCC shall be composed of at least three SIB members as appointed by the SIB Chair at the first SIB meeting in July of each year or when a vacancy arises. This is a standing committee with no term limits. At least one committee member must be an elected or appointed official.

The Chief Financial Officer- Chief Operating Officer (CFO-COO) will be responsible for the preparation of all committee materials with the exception of internal survey and audit materials. Internal audit will be responsible for preparing an annual summary of the required reports submitted to the SIB by the Executive Director in connection with its review of policy adherence

to *Ends and Executive Limitations*. Internal audit will assist the ERCC in completing annual surveys of the Executive Director and Chief Investment Officer with the SIB, SIB clients, and RIO team members, and Executive Director and Deputy Executive Director- Chief Retirement Officer with the TFFR Board, TFFR stakeholders, and RIO team members. Internal audit will also assist the SIB and ERCC in administering the annual board self-assessment process.

IV. MEETINGS

The ERCC must meet at least twice in the second half of the fiscal year, and hold additional meetings as needed, to fulfill its responsibilities as described in this Committee Charter and as called by the Committee Chair. At its first meeting after July the Committee will elect a Committee Chair and Vice-Chair.

V. AUTHORIZATION AND LIMITATIONS OF POWER

The ERCC is established by the SIB governance manual and has no power or authority to act on behalf of the full board. The ERCC will abide by the provisions in the governance manual that pertain to the meetings and actions of the Board.

Confidential information will be sent to Committee members via secure link.